

Appendix D

Presentation by Joann McNabb of the California Office of Privacy Protection

This appendix contains a copy of the Power Point presentation as delivered by Joanne McNabb, Chief, California Office of Privacy Protection, on November 12, 2003 in San Diego, California.



Identity Theft

Joanne McNabb, Chief
California Office of
Privacy Protection

Secretary of State's Task Force on Voter Privacy
November 12, 2003

Office of Privacy Protection

- CA only state with office dedicated to protecting and promoting privacy of personal information.
- Office functions:
 - Consumer assistance
 - Education and information
 - Coordination with law enforcement
 - Best practice recommendations

Education & Information

- www.privacy.ca.gov
- Consumer Information Sheets
- Community Workshops
- Business Meeting Presentations

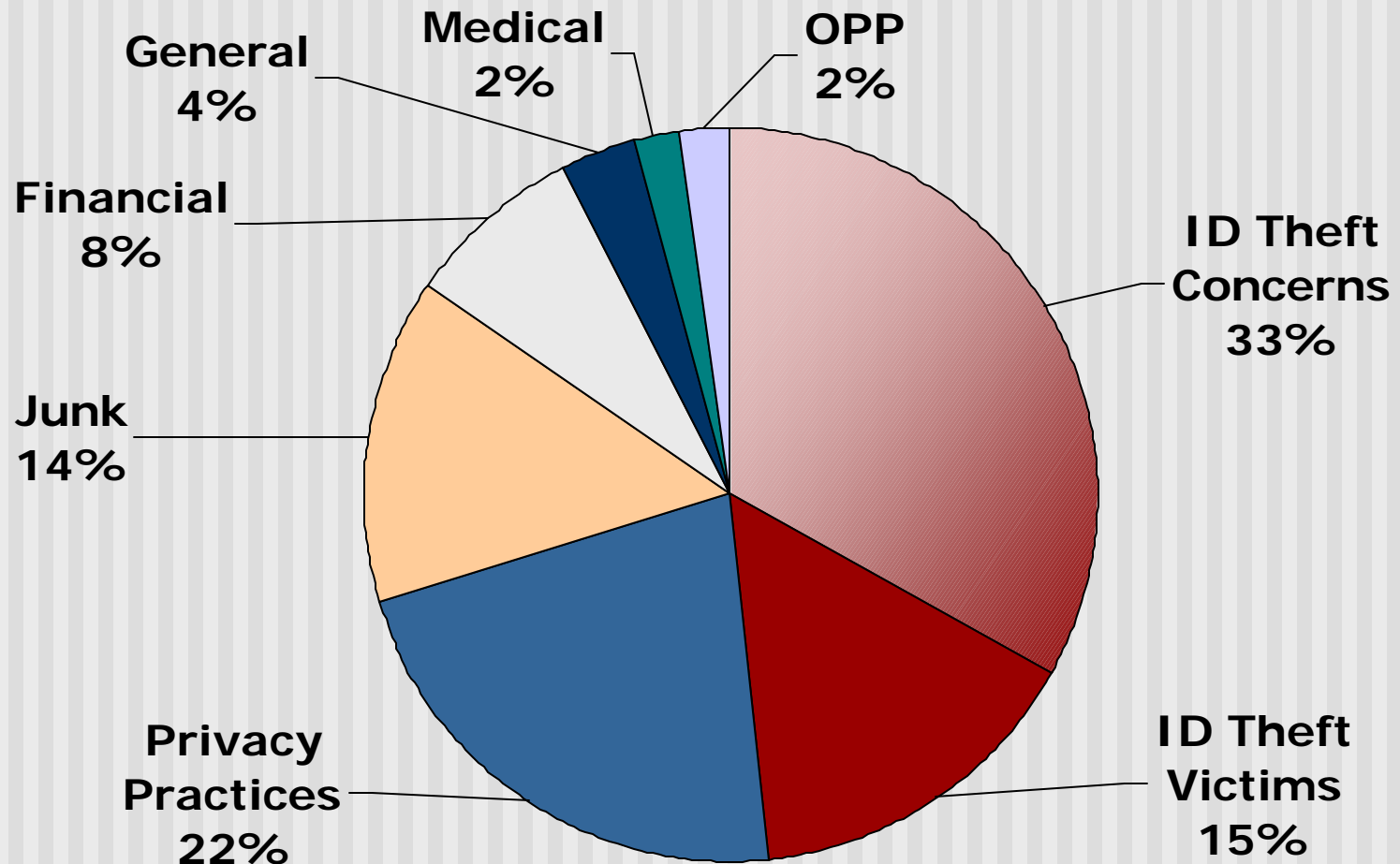
Law Enforcement Coordination

- Regional High-Tech Crimes/ID Theft Task Forces
- Implementation of new ID theft laws
- ID theft pocket guide

Practice Recommendations

- “Best practice” guidelines, developed with participation of affected industry and consumer representatives
- Confidentiality of Social Security Numbers
 - Related to SB 168 of 2001
- Notification of Security Breach
 - Related to AB 700/SB 1386 of 2002

Consumer Assistance: Why People Contact Us



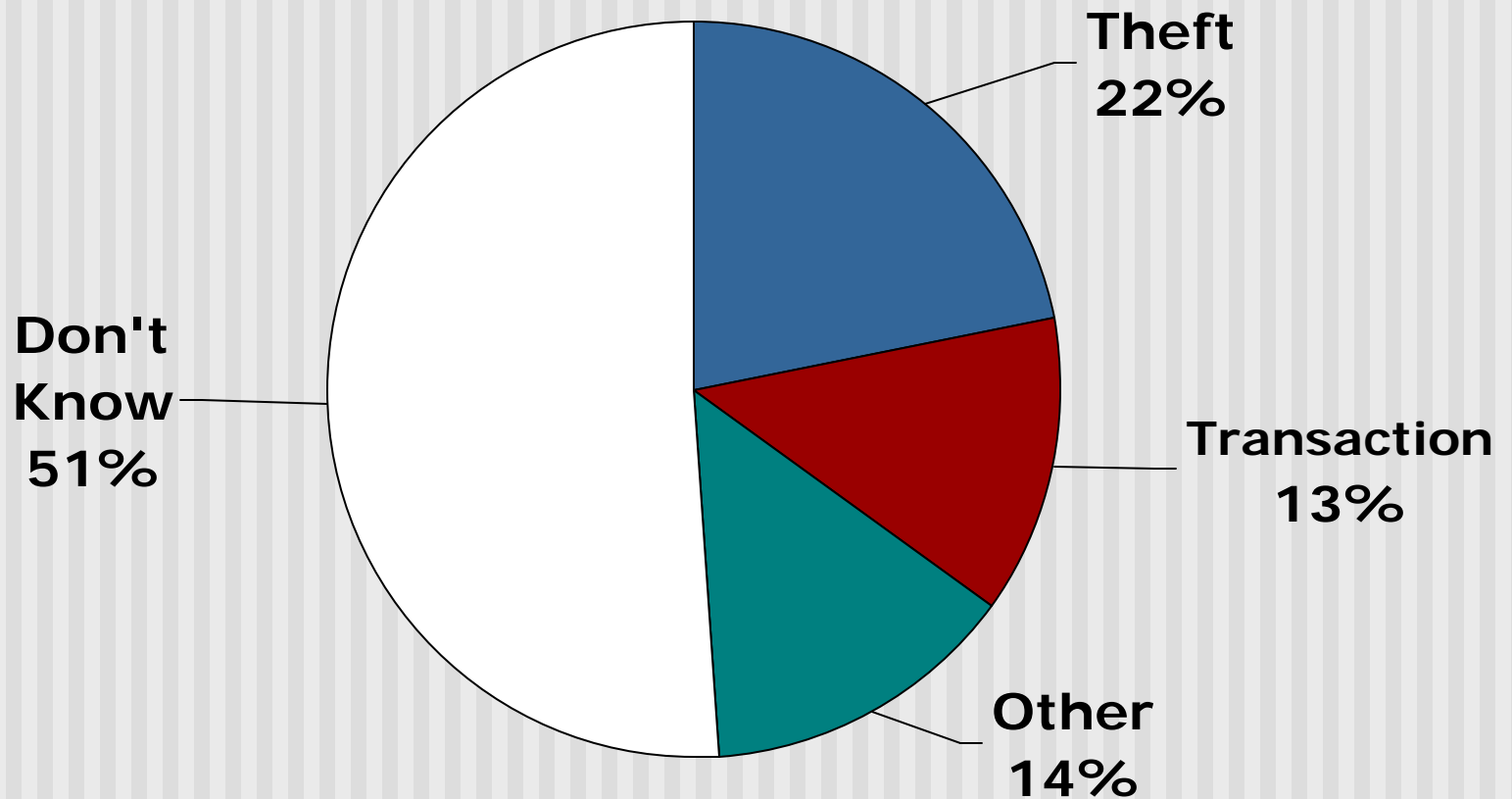
What is identity theft?

- Obtaining someone's personal information and using it for any unlawful purpose
 - Penal Code section 530.5
- A consequence of lack of control over personal information
 - Growing use of electronic databases

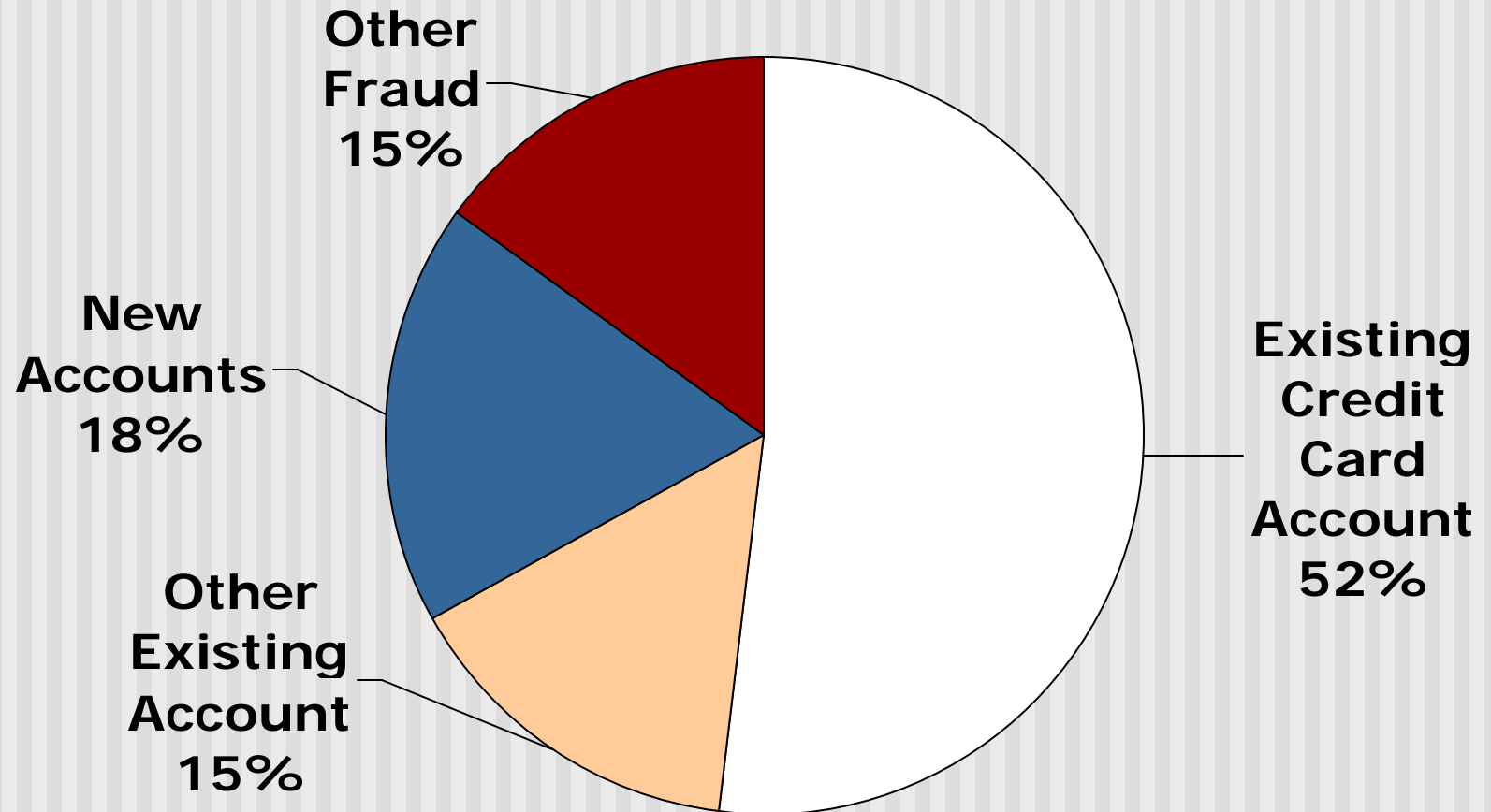
Incidence of ID Theft

- Per FTC survey, September 2003
- Past Year
 - 4.6% of U.S.adults – 9.9 million
 - =1.1 million CA adults
- Past 5 Years
 - 12.7% of U.S. adults - 27 million
 - =3.1 million CA adults

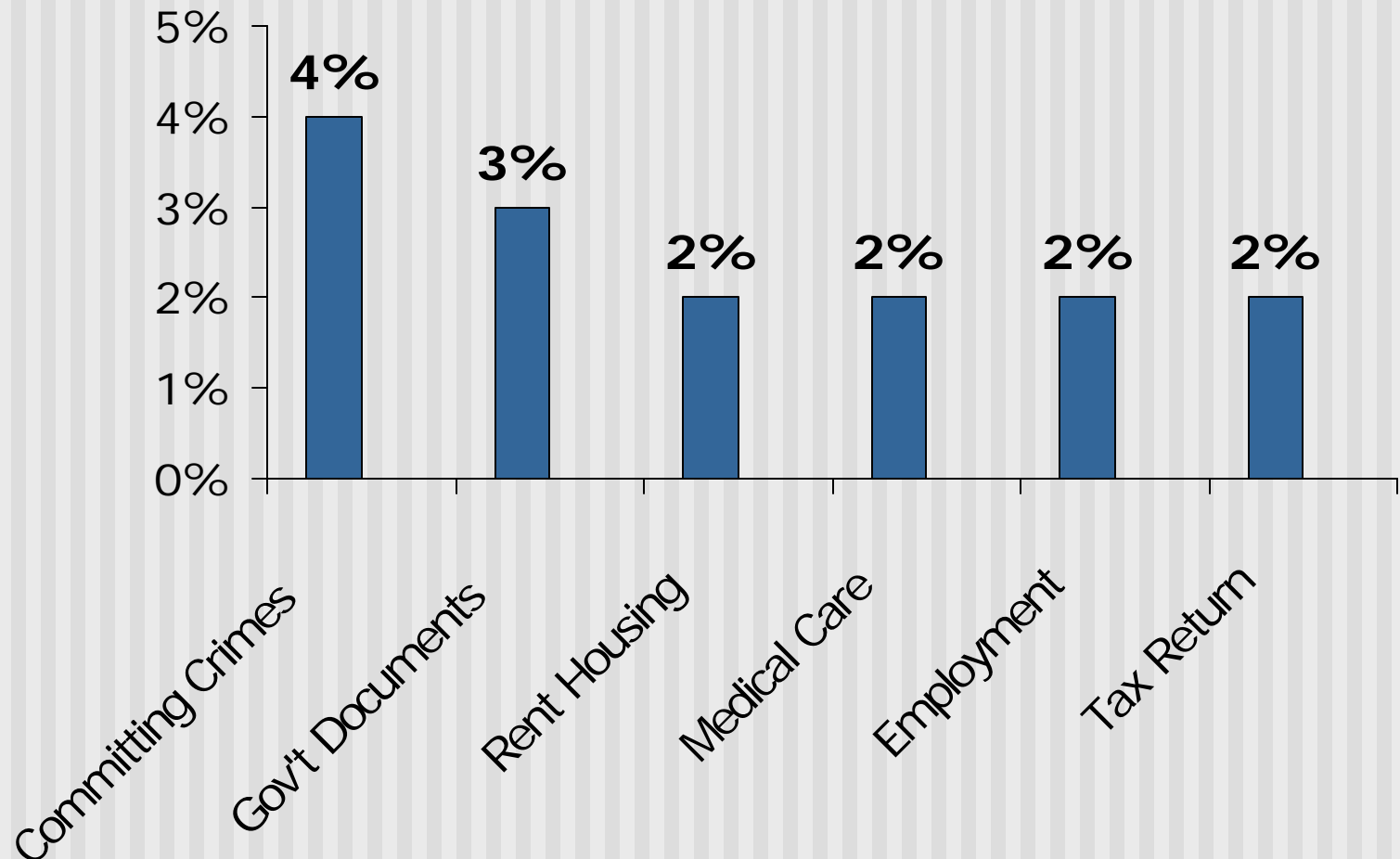
How ID Thieves Get Info



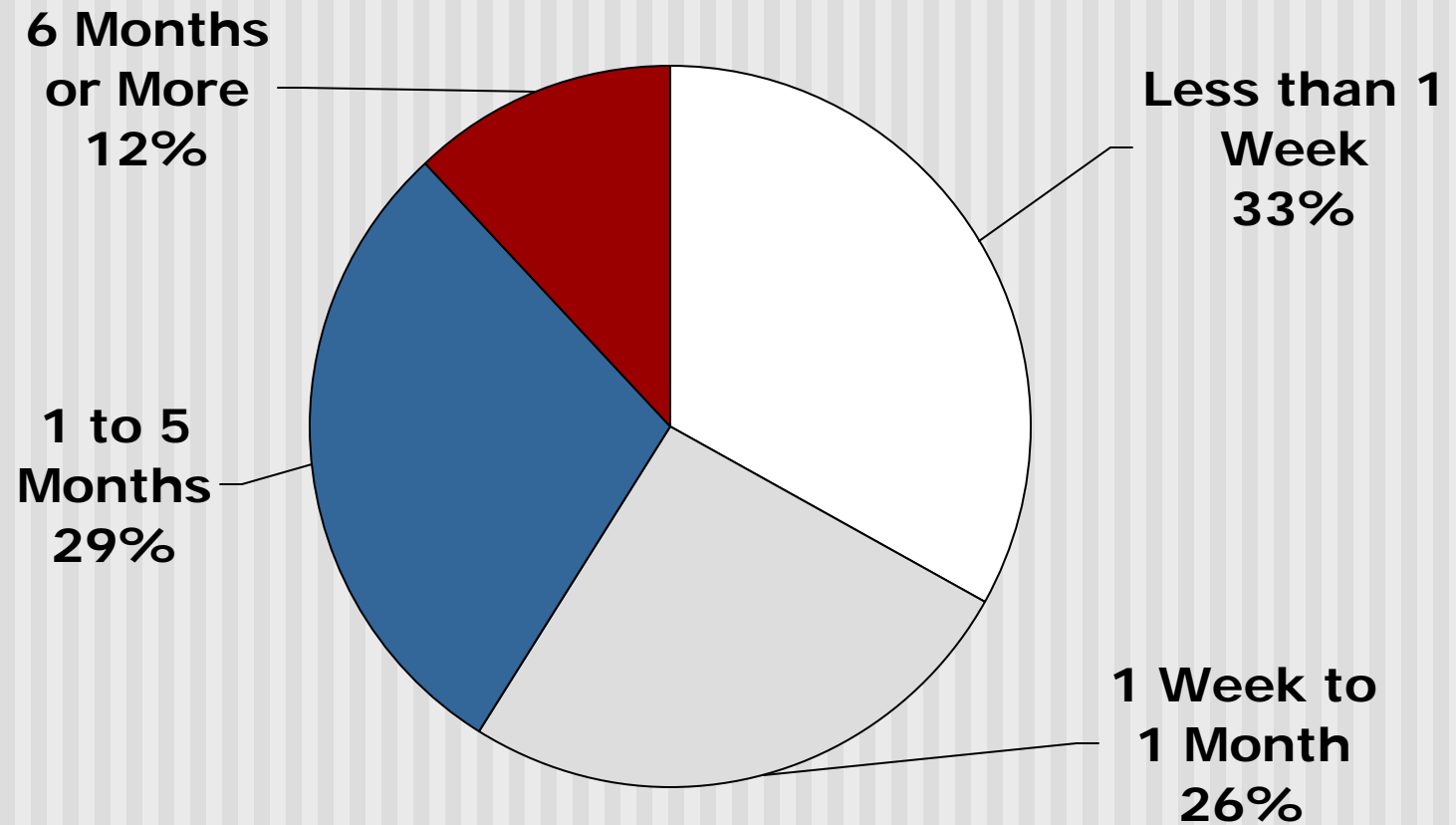
How ID Thieves Use Info



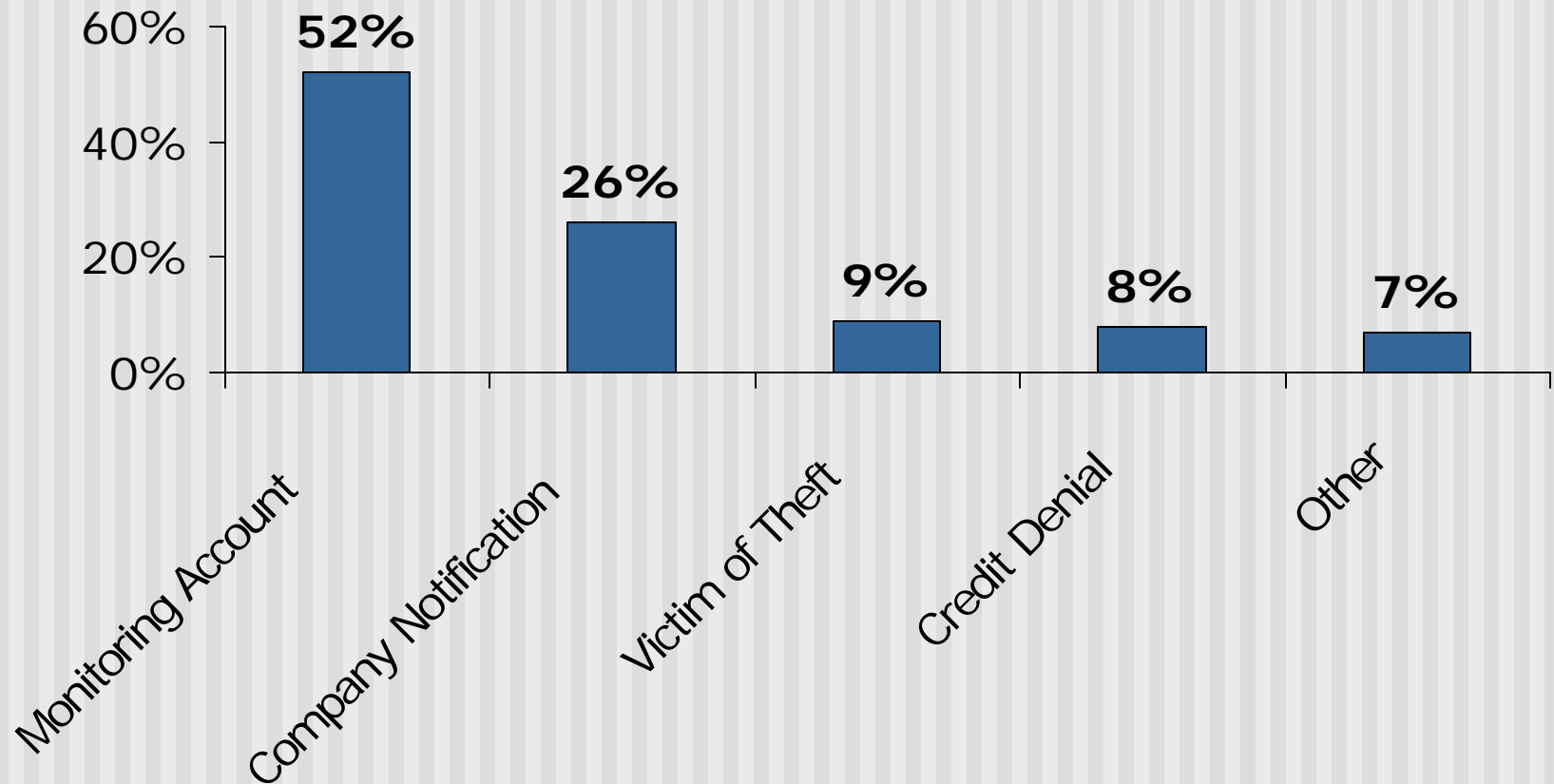
How ID Thieves Use Info: Other Fraud



When Victims Discover ID Theft



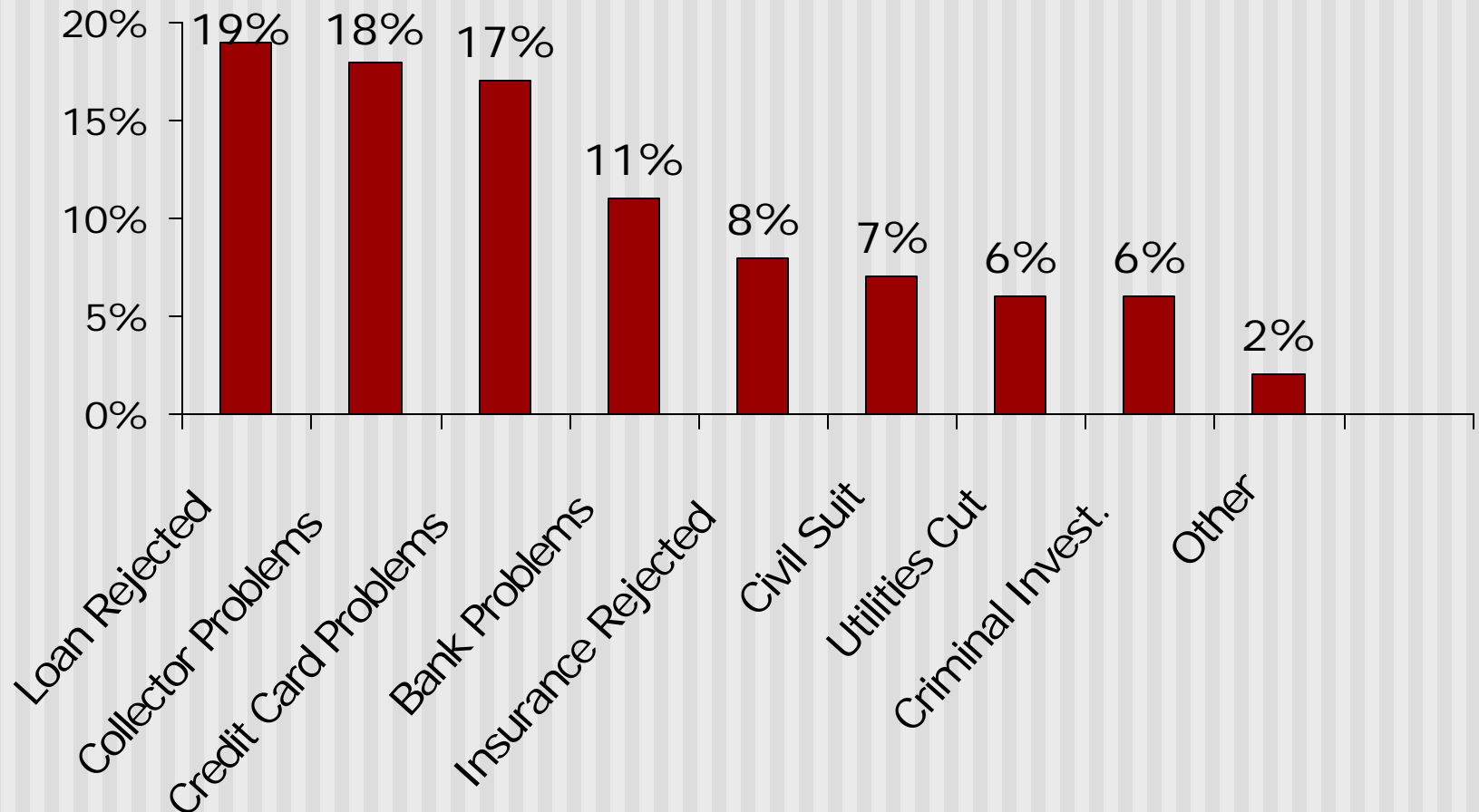
How Victims Discover ID Theft



Impact of ID Theft on Victims

- Out-of-pocket costs
 - Average of \$500 per FTC to \$740 per P&AB/Harris.
 - CA victim survey by Identity Theft Resource Center found average expenses of \$1,400.
- Time spent recovering
 - Average of 30 hours per FTC, 600 hours per ITRC

Other Problems for Victims



Impact of ID Theft on Business

- FTC estimates annual cost to business of \$47.6 billion
 - Based on average loss of \$4,800 per victim
- ITRC found losses of \$40,000 to \$92,000 per victim
 - \$396 to \$912 billion total loss to business

Law Enforcement Views

- Survey by CALPIRG in May 2003
 - Interviews with 28 officers who investigate ID theft case
- Questions on nature of crime, type s of thief, victim problems, how to deter, how to solve

Law Enforcement Views

1. Lenders need to adopt more responsible practices.

Stiffer penalties and consumer education alone won't solve the problem.

2. Thieves get personal info from many sources - mail theft is top concern.

Law Enforcement Views

3. Multi-jurisdictional crimes pose unique challenges.
4. Identity thieves range from opportunists to members of drug rings.
5. Identity theft crimes are often hard to solve.

Law Enforcement Views

6. Identity thieves often get off easy.
7. Law enforcement coordination may be lacking.

CA Identity Theft Laws

- CA leads nation in ID theft laws, passed in last five years.
- Consumer defined as victim, not just financial institution.
- Law enforcement where consumer victim lives must take report.
- Victim can get copies of documents on fraudulent accounts.

CA ID Theft Laws

- AG's "get-out-of-jail" registry for victims of "criminal" ID theft.
- Shift of burden of proof in debt collection.
- Laws aimed at prevention
 - SSN confidentiality
 - Notice of security breach
 - Financial privacy



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